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Does T-Mo Really Need LTE That Much?

(Monica Allevan) [Permanent link](#)

In its 377-page filing with the FCC on Tuesday, Sprint Nextel used some of its boldest statements yet as to why the U.S. government should no longer entertain this notion that AT&T should buy T-Mobile USA.

Joining of Opposition petition to deny

This is real true of T-Mobile Needs LTE with 42Mbps next years plan 84mbps

After perusing most of the document, I was ready to say, “Hey, right on, Sprint! AT&T is hoarding spectrum and there’s no way a consolidation (which usually ends up eliminating jobs) is going to end up adding jobs. Way to call AT&T on its bluff!” on those and a few dozen other things in those hundreds of pages.

It was time to revisit AT&T’s earlier arguments for the deal. Then maybe I wouldn’t be so quick to jump on Sprint’s bandwagon. (The idea of reviewing yet another legalese-laden filing was not taken lightly, but Sprint’s filing actually was pretty interesting, including the reference to an “Alice in Wonderland” quality to AT&T’s application. Snap!)

To be safe, I grabbed an extra cup of coffee before diving into these documents. Mind you, I’ve already heard many of the arguments in favor of the deal, beginning with the interested parties’ initial statements and executives’ answers to questions at hearings in Washington, D.C. But I thought going back and looking at the arguments again, after seeing Sprint’s more detailed analysis, was worthwhile.

Turns out, the entire exercise just seemed to A) Make me wonder where my brain was on March 21 when I thought this deal made a lot of sense; B) Made me want to figure out the true intentions/reasons behind everyone and anyone stating arguments for or against; and C) reminded me of prior statements about HSPA+ and LTE, sending me into a tizzy from which there was no coming back.

By the sounds of it, youâ€™d think T-Mobile was dwindling away and in dire straits because it doesnâ€™t have a â€œclear pathâ€ to LTE. Itâ€™s right there in the opening paragraph of the April 21 filing: â€œAT&T â€ is acquiring T-Mobile USA, a Deutsche Telekom subsidiary with declining market shares and no clear path to Long Term Evolution (LTE), the gold standard for advanced mobile broadband services.â€

Thereâ€™s much more in the hundreds of pages of argument for the deal, such as AT&T facing severe capacity constraints, but when did LTE become such a critical factor in T-Mobileâ€™s success? Seems to me, T-Mobile for months prior to March was talking about the robustness of HSPA+. Itâ€™s already doubling the speed of its HSPA+ network in more than 50 markets to theoretical peak download speeds of up to 42 Mbps, and going to 84 Mbps is the next logical step. You know, the doubling factor.

I recall for a long stretch of time, if you asked someone of authority at T-Mobile USA to confirm the carrier was going to LTE, the stock answer was something like: Well, thatâ€™s the natural evolution, but the brass at headquarters had not yet confirmed any such thing, so they had to stick to the party line and just let us infer the ultimate destination. That was at least a couple years ago when those types of questions were being asked. I specifically remember it coming up at 4G World in Chicago back in 2009.

Could it be that the M&A leaders at parent Deutsche Telekom in Germany already sensed LTE would be part of an argument for a deal in the future? Thatâ€™s kind of hard to fathom. My guess is, if youâ€™re the parties who constructed a deal like this, youâ€™d probably have a billion and one things to figure out and agree upon; then, most likely, you find all the viable reasons that will hold up your arguments in front of regulators and stick to them. But itâ€™s a provocative thought, no?

Sure, the ideal is for T-Mobile to go to LTE some day. I have no doubt that getting together with AT&T is the fastest, most efficient and most certain solution for both companies' capacity challenges going forward, and it's probably the fastest way for T-Mobile to get to LTE (although if the deal goes through, it will no longer be T-Mobile as we know it today.) It's just that I've heard T-Mobile's arguments for so long that HSPA+ is just fine and dandy that it's hard to let go of it.

By the way, in the Q&A about the transaction that T-Mobile posted on its website back in March, the company says it will continue to build on its "4G network advantage" this year. It also states that if or until the deal closes, which is estimated to take 12 months, T-Mobile and AT&T are completely separate and competing organizations, and "T-Mobile will continue to base its decisions on what's best for its business and customers." Yet it won't reveal its longer term vision for the network, saying "T-Mobile's future network evolution will be determined when we have worked through the regulatory process and have closed the agreement with AT&T." That doesn't sound very forward-thinking; what happened to remaining competitive?

I still have a sense of inevitability that this thing is going to go through " with certain conditions. It's difficult to stop companies from pursuing what they think makes good business sense because you fear for the public good. (Then again, Sprint probably thought it had good business sense buying Nextel.)

But increasingly, as I hear more of the arguments pro and con " and consider that the FCC refused to let the Direct TV/EchoStar merger go through in 2002 " I'm changing my stripes and siding more and more on the side of caution. Today, I don't think it's going to be good for the industry or the buying public. Am I the only one doing an about-face?

i hoping Fcc listen to counsers and antitrust by denying and blocking this merger

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